Congressional Response Report: Social Security Administration Field Office User Fees (A-04-11-01118)

Our Findings

In this austere economic environment, Federal agencies, including SSA, are attempting to accomplish their missions with less funding. Faced with this challenge, we believe SSA must be creative—setting aside the status quo. Although SSA charges user fees for certain information requests, these collections are not consistently applied and only totaled about $2 million in Fiscal Year (FY) 2010. To its credit, SSA established a workgroup to (1) develop and update certain standardized fees and (2) research and plan a new automated collection and remittance process for its field offices. At the time of our review, the workgroup was in the planning and development phase.

Assuming the Agency adopts more streamlined and less expensive remittance procedures, we believe SSA could implement user fees for certain high-volume services and records processed at its field offices. Specifically, we believe SSA should consider charging its customers standardized fees for replacement Social Security number cards, Social Security Number Printouts, and Benefit Verifications. Although we were unable to determine the specific impact such charges would have on customer behavior and SSA’s workloads, our limited research, discussions, and a prior review indicate that such fees would reduce requests for these documents. In FY 2010, we estimated that the cost to SSA for processing these three workloads was about $660 million. If SSA charged a fee to recover these costs, or avoided significant portions of these costs through decreased demand, SSA could focus its limited resources on other critical workloads.

Our Conclusions

Given the current and future budget outlook for Federal agencies, we believe SSA should consider charging fees for certain services—to recover its cost of providing services. Admittedly, charging fees may not be a popular choice. However, our research and prior reviews indicate that similar fees have been accepted in other countries, and may influence customer behavior and reduce SSA’s workloads.